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Teena Wolfe
Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

OCT 06 2003

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Re: AEPCO's Comments on the Staff Supplemental Filing dated September 29, 2003;
In the Matter of the Generic Proceeding concerning the Arizona Independent
Scheduling Administrator; Docket No. E-00000A-01-0630

Dear Ms. Wolfe:

As requested by Commissioner Gleason during the hearing on this matter, Staff submitted on September 29, 2003, a letter from the AISA stating that FERC related costs concerning the AISA's filing and maintenance of the AISA protocols manual, pro forma transmission and scheduling coordinator agreements and tariff totaled \$833,989.27. AEPCO submits these comments in relation to that filing.

To the extent the information relates to claims regarding the costs associated with re-forming the AISA in the future, the costs associated with a second submission of these matters to the FERC would in no way approximate these initial costs. The protocols, agreements, tariffs, pleadings and filings have been completed. If the AISA ceases operations and, for some reason, there is a need for it to start-up in the future, this work would only have to be fine tuned and re-filed at considerably less cost than was associated with the initial filing.

These costs also bear absolutely no relation to what a FERC related complaint proceeding might cost if there were to be a dispute over an OATT procedure or possibly some protocols interpretation issue. Such a dispute would obviously be much more minor than the effort concerning the AISA protocols and tariff submission. It could possibly be handled for free through the FERC hot line procedures, relatively inexpensively through existing OATT informal and formal ADR procedures or, if a FERC complaint were necessary, certainly at a very small fraction of the cost associated with the AISA filing effort referred to in the September 13 letter attached to the Staff filing.

Ms. Teena Wolfe
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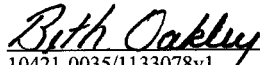
Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: 
Michael M. Grant

Original and 13 copies of the
foregoing filed with Docket
Control on this 6th day of
October, 2003.

Copy of this letter mailed to
all parties of record


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